

Live Better Through Barter

By Miles Wickstrom

It is said that everything runs in cycles and that is certainly true for the time-honored practice of barter. Barter probably dates back to our hunter/gatherer days and was the dominant form of exchange before the first monetary system was ever created. Today, we have a highly complex monetary system that, oh, by the way, isn't doing all that well. As a result of that and several other factors, barter is becoming more popular and likely to expand further still over time.

Barter is a form of commerce where the goods and services exchanged replace traditional currency. If I grow more carrots than I can eat and my neighbor produces more eggs than he can eat, we simply need to talk over the fence and agree on the relative value of eggs vs. carrots to arrive at a mix that works for both of us. Everyone walks away a winner.

The above example will only work, of course, if both parties are willing to negotiate on reasonable terms. It is critically important to agree in advance on those terms and conditions before making the exchange. But isn't that also true of our dollar-based economy?

Barter comes in many forms. I ran into a dentist several years ago who was remodeling his kitchen. Not surprisingly, he had a number of contractors and drywall hangers and electricians among his patients. Almost the entire remodel was done through bartered labor. He would do root canals, fillings and gold crowns for those patients and their families while they put in new cabinets, fixtures and countertops for him. All the work was itemized in advance with estimates of pricing so there would be no misunderstanding. The patients walked away with big smiles and healthy teeth and the dentist got a brand new kitchen.

A word of caution: the IRS views barter as a method of exchange and, as such, treats it as taxable income. So, if I trade carrots for eggs with my neighbor, the fair market value of

the eggs is something I would have to claim as untaxed income. (Hey, don't shoot the messenger! I don't make the rules. I shake my head at 'em, too.) You probably won't spend much time in Leavenworth for ten bucks worth of eggs, but a \$20,000 remodel could make our good Uncle a little testy if he doesn't get his cut.

Why stop there? Let's look at a model for a community-wide barter system. Let's say we have four people in Vernonia named Bill, Mary, Janice and Fred. Each of them carries a little black book in their hip pockets which serves as a ledger. Fred is a mechanic and Mary's car needs a tune-up. Fred buys the necessary parts and has her car purring in one hour flat. To complete the transaction, Fred and Mary whip out their little black books. Fred "deposits" one hour into his account and Mary "withdraws" one hour from hers. Mary repays Fred for the parts with cash.

Janice is getting up in years and has trouble keeping up with the yard work. Bill drops by and spends two hours mowing the lawn and trimming the hedge. He and Janice drag out their little black books, with Bill "depositing" two hours into his account and Janice "withdrawing" two hours from hers.

Janice gives one-hour piano lessons to Fred's daughter twice a week. Every time she visits, she deposits an hour into her account while Fred withdraws one from his.

This is known as an egalitarian system. Goods and services are still exchanged among buyers and sellers, but the medium of exchange is time. No one's time is more valuable than anyone else's and everyone can participate. The only people who wouldn't do well are those who take more than they are willing to give. In the event of an economic collapse, this system could keep a community vibrant. It would certainly beat anarchy.

Wauna Mill Pledges \$228,000 to United Way

Georgia-Pacific, the United Steelworkers (USW) Local 1097, and United Way announced the successful conclusion of their 2008 United Way campaign. Through a grant from the Georgia-Pacific Foundation and through pledges from Wauna Mill employees, over \$228,000 was raised for United Way.

The funds will be distributed to Clatsop, Columbia, and Cowlitz/Wahkiakum counties. Mill Manager Mike Tompkins, who joined the facility in June, commented, "I have been overwhelmed by the commitment and passion Wauna employees have for United Way and commend them for all that they do to make this community great."

Vince Leonard, president, USW Local 1097, added "Our membership has for years been a strong supporter of United Way and I couldn't be prouder that now with all of the distractions of the current economy our members continue to keep the needs of our community in their thoughts."

With over \$81,000 of these pledges going to Columbia County United Way, Kathy Beck, executive director, adds that these funds are coming at a critical time. "At a time when we are seeing more need in our community than ever before, the generosity of Georgia-Pacific, USW Local 1097, and Wauna Mill employees is valued even more. It will do a lot to help members of our community cope through this current economic crisis."

Beck also noted, "For the past decade, their generosity has assisted our neighbors in need by providing food and clothing for families, providing safe havens for women and children at risk, empowering low income workers to learn new life and job skills to better their circumstances, providing support for our seniors, and a host of other valuable services."

Those interested in contributing to United Way of Columbia County or learning more information can contact the United Way office at 503-556-3614.

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